

**DEPARTMENT
OF
DEVELOPMENTAL SERVICES'
AUDIT
OF
DEBORAH FILPULA ADULT HOME AND
DEBORAH FILPULA FAMILY HOME**

Programs and Services:

Residential Facility Serving Adults – Staff Operated – HA0198

Supplemental Residential Program Support – HA0198

Residential Facility Serving Children – Owner Operated – H24248

Audit Period: January 1, 2022, through December 31, 2022

Audit Section

Auditors: Hung Bang, Chief of Vendor Audit Unit
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DEBORAH FILPULA ADULT HOME AND

DEBORAH FILPULA FAMILY HOME

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EXECUTIVE SUMMARY

The Department of Developmental Services (DDS) has audited Deborah Filpula Adult Home and Deborah Filpula Family Home (Filpula). The audit was performed upon the Residential Facility Serving Adults – Staff Operated (RFSA), Residential Facility Serving Children – Owner Operated (RFSC), and Supplemental Residential Program Support (SRPS) for the period of January 1, 2022, through December 31, 2022.

The audit disclosed the following issue of non-compliance:

Finding 1: Residential Facility Serving Adults – Staff Operated and Supplemental Residential Program Support – Unsupported Staffing Hours

In response to the draft audit report, Filpula provided additional information to support the billings and therefore the finding was resolved. DDS will not pursue Finding 1 of this audit.

The total audit finding amount of \$12,724 is reduced to \$0. A detailed discussion of this finding is contained in the Finding and Recommendation section of this report.

BACKGROUND

DDS is responsible, under the Lanterman Developmental Disabilities Services Act, for ensuring that persons with developmental disabilities receive the services and supports they need to lead more independent, productive and normal lives. DDS contracts with 21 private, nonprofit regional centers that provide fixed points of contact in the community for serving eligible individuals with developmental disabilities and their families in California. In order for regional centers to fulfill their objectives, they secure services and supports from qualified service providers and/or contractors. Pursuant to the Welfare and Institutions (W&I) Code, Section 4648.1, DDS has the authority to audit those service providers and/or contractors that provide services and supports to persons with developmental disabilities.

OBJECTIVE, SCOPE AND METHODOLOGY

Objective

The audit was conducted to determine whether Filpula's programs were compliant with the W&I Code, California Code of Regulations (CCR), Title 17, State laws and regulations and the regional center's contracts with Filpula for the period of January 1, 2022, through December 31, 2022.

Scope

The audit was conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) issued by the Comptroller General of the United States. The auditors did not review the financial statements of Filpula nor was this audit intended to express an opinion on the financial statements. The auditors limited the review of Filpula's internal controls to gain an understanding of the transaction flow and invoice preparation process, as necessary, to develop appropriate auditing procedures. The audit scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance that Filpula complied with W&I Code and CCR, Title 17. Any complaints that DDS' Audit Section was aware of regarding non-compliance with laws and regulations were also reviewed and addressed during the course of the audit.

The audit scope was determined by reviewing the programs and services provided to ACRC that utilized Filpula's services during the audit period. Filpula provided three different types of services, which DDS audited. Services chosen by DDS were based on the amount of purchase of service (POS) expenditures invoiced by Filpula. By analyzing the information received from the vendor, an internal control questionnaire and a risk analysis, it was determined that a two-month sample period would be sufficient to fulfill the audit objectives.

Residential Facility Serving Adults – Staff Operated

During the audit period, Filpula operated one RFSA program. The audit included the review of the RFSA program, Vendor Number HA0198, SC 915 and testing was done for the sampled months of August 2022 and September 2022.

Residential Facility Serving Children – Owner Operated

During the audit period, Filpula operated one RFSC program. The audit included the review of the RFSC program, Vendor Number H24284, SC 910 and testing was done for the sampled months of August 2022 and September 2022.

Supplemental Residential Program Support

During the audit period, Filpula operated one SRPS program. The audit included the review of the SRPS program, Vendor Number HA0198, SC109 and testing was done for the sampled months of August 2022 and September 2022.

Methodology

The following methodology was used by DDS to ensure the audit objectives were met. The methodology was designed to obtain a reasonable assurance that the evidence provided was sufficient and appropriate to support the finding and conclusion in relation to the audit objectives. The procedures performed included, but were not limited to, the following:

- Reviewed vendor files for contracts, rate letters, program designs, POS authorizations and correspondence pertinent to the review.
- Obtained information from regional center to gain insights into the vendor's operations.
- Interviewed vendor staff and management to gain an understanding of the vendor's accounting procedures and processes for regional center billing.
- Obtained and reviewed the vendor's internal control questionnaire.
- Reviewed vendor service/attendance records to determine if the vendor had sufficient and appropriate evidence to support the direct care services billed to the regional centers.
- Analyzed the vendor's payroll and attendance/service records to determine if the appropriate level of staffing was provided.

CONCLUSION

The audit of Filpula revealed that this vendor maintained its records in accordance with the requirements of CCR, Title 17. For the sampled months tested, DDS was able to obtain the evidence necessary to achieve the audit objectives. The billing for the services and programs audited were found to have sufficient, competent, and relevant evidence to support the direct-care hours billed.

VIEWS OF RESPONSIBLE OFFICIALS

DDS issued a draft audit report on July 10, 2024. The finding in the report was discussed at an exit conference, via Zoom, with Filpula on July 10, 2024. Subsequent to the exit conference, on August 2, 2024, Filpula sent an email stating that Filpula disagreed with the finding.

RESTRICTED USE

This report is solely for the information and use of DDS, Department of Health Care Services, ACRC and Filpula. This restriction is not intended to limit distribution of this report, which is a matter of public record.

FINDING AND RECOMMENDATION

Finding 1: Residential Facility Serving Adults – Staff Operated and Supplemental Residential Program Support – Unsupported Staffing Hours

In response to DDS' draft audit report, Filpula provided additional information to support its billings to ACRC, which has resolved the finding.

ATTACHMENT A – VENDOR’S RESPONSE

DEBORAH FILPULA ADULT HOME

To request a copy of the vendor’s response to the audit finding, please contact the DDS Audit Section at (916) 654-3695.

ATTACHMENT B – DDS' EVALUATION OF FILPULA'S RESPONSE

To request a copy of DDS' Evaluation of FILPULA'S response to the audit finding, please contact the DDS Audit Section at (916) 654-3695.